INFORMATION ONLY

19 March 1953

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT:

Basic disagreement delays opening of Anglo-

Egyptian talks

- 1. The Anglo-Egyptian talks which were to open on 14 March have been delayed as a result of a sharp difference of opinion on the question of Middle East defense arrangements.
- 2. Talks on the evacuation of the Suez Canal base and Middle East defense arrangements were expected to follow immediately after the 12 February signing of the Anglo-Egyptian agreement on the future of the Sudan. The United States and Britain agreed in January that withdrawal of British troops from the Suez Canal base and Egyptian participation in a Middle East defense organization should be considered part of a "package deal" which would include economic and military aid. The United States assured Britain that it was ready to join these talks from the beginning, subject to Egyptian approval.
- 3. On 15 March, General Nagib informed Ambassador Caffery, however, that Egypt would reject US participation in defense talks since the latter's presence at the talks would imply that negotiations involved more than the question of British evacuation of the canal zone. Egypt is also anxious to avoid a situation in which both the United States and Britain would be aligned against it during defense discussions.
- 4. Britain continues to insist that negotiations for the withdrawal of British troops must include discussion of Egypt's role in a Middle East defense organization.
- 5. Egypt now refuses to link the question of British evacuation to a commitment to join in area defense plans. The Egyptians want agreement to unequivocal evacuation first. Public statements by Egyptian leaders and the Cairo press are developing popular sentiment to a degree which will make it exceedingly difficult for the government to compromise on this issue.

**State Department review completed** 

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- 6. The situation is further irritated by increasing friction between Egypt and the Sudan Government over preparations for Sudanese independence. The British-controlled Khartoum government has recently prevented a group of Egyptian politicians from visiting the southern Sudan, and Cairo officials have in turn issued recriminating statements.
- 7. Further delay in initiating negotiations increases the prospects of a stalemate and the possibility that gains of the agreement on the Sudan may also be lost as a result of a general deterioration of Anglo-Egyptian relations. Lacking significant progress in internal reforms and stalemated on the Suez issue, there is the possibility that the Egyptian regime may feel itself driven to more intemperate, dangerous gestures toward Britain.

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